

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

PURDUE PHARMA L.P., *et al.*,

Debtors.

Chapter 11

Case No. 19-23649 (RDD)

(Jointly Administered)

MEDIATOR'S INTERIM REPORT

Pursuant to paragraph 1 of the *Order Appointing the Honorable Shelley C. Chapman as Mediator*, dated January 3, 2022 [ECF No. 4260] (the “Appointment Order”), the Court appointed the Honorable Shelley C. Chapman as mediator (the “Mediator”) to conduct a mediation (the “Mediation”) between the Nine,¹ on the one hand, and the representatives of the Covered Parties, on the other hand (the Nine and the Covered Parties being the “Mediation Parties”), with respect to modifications of the Plan. By order dated January 13, 2022 [ECF No. 4286], the Court extended the Mediation to February 1, 2022. The Mediator respectfully submits this interim report in accordance with the terms of the *Order Establishing the Terms and Conditions of Mediation Before the Honorable Shelley C. Chapman*, dated January 3, 2022 [ECF No. 4261] (the “Mediation Terms and Conditions Order”).

Statement of Mediator

1. Between January 3, 2022 and January 25, 2022, the Mediator conducted approximately 100 telephonic meetings with the Nine and the Covered Parties. The Mediator spoke both with counsel to the Covered Parties and directly with individual members of the

¹ Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Mediation Terms and Conditions Order (defined below).

Raymond Sackler family and Mortimer Sackler family (collectively, the “Sackler Families”). The Mediator also held dozens of calls with staff of the Nine and spoke directly on dozens of occasions to certain Attorneys General of the Nine. In addition, the Mediator held dozens of telephonic meetings with certain Additional Parties, including the Debtors, counsel to the Debtors, counsel to the Official Committee of Unsecured Creditors, counsel to the Ad Hoc Committee of Governmental and Other Contingent Litigation Claimants, counsel to the former Non-Consenting States² other than the Nine, and counsel to the Multi-State Governmental Entities Group. The Mediator exchanged hundreds of emails and text messages with the aforementioned parties.

2. In accordance with a strict COVID protocol, the in-person Mediation was conducted on January 25, 2022 (from approximately 8:30 a.m. until approximately 10:00 p.m.) and on January 26, 2022 (from approximately 8:30 a.m. until approximately 9:00 p.m.), with additional discussions between and among the Mediator and the Covered Parties continuing through the night of January 26, 2022 and also continuing through the date hereof. The Mediator would like to express her gratitude to those representatives and Attorneys General of the Nine who traveled to New York by plane or train to participate in the in-person Mediation and who, at a moment's notice, agreed to stay overnight in New York to continue the in-person Mediation for a second day. Two Attorneys General were present at the in-person Mediation; another Attorney General participated in the entirety of the in-person Mediation via Zoom; and another Attorney General was excused from the in-person Mediation by the Mediator because of important duties that required his presence in his home state. With respect to the Covered Parties, counsel for the Covered Parties attended the in-person Mediation. During the

² As defined in the *Mediator's Report* [ECF No. 3119] filed on July 7, 2021.

two days of the in-person Mediation, the Mediator also spoke directly to multiple members of the Sackler Families.

Current Status of Mediation

3. As of the date hereof, the Mediation Parties are close to an agreement in principle that provides for substantial additional consideration incremental to the \$4.325 billion provided for in the Plan – an incremental amount that would be used exclusively for abatement of the opioid crisis and related matters. The proposed settlement requires the agreement of all Mediation Parties. In order to conclude the negotiations and address a number of remaining issues, the Mediator respectfully requests an extension of the Termination Date to February 7, 2022.

Dated: New York, New York
January 31, 2022

/s/ Shelley C. Chapman
HONORABLE SHELLEY C. CHAPMAN